PROJECT STATUS REPORT

Merchandising Business System (MBS)   **Report as of Date:**
Washington State Liquor Control Board (WSLCB)   **January 2002**

Acting Project Director: Javad Naini   **Executive Sponsor:** Pat Kohler
MOSTD Staff: Andy Marcelia

Description: The 2001 Legislature authorized the WSLCB to replace their Point of Sale (POS) software with a commercially available product capable of managing and supporting the agency's retail business. These business activities include procurement (timely sales and marketing data), distribution (electronic tracking of shipping and handling), wholesale and special orders, and point of sale in the 157 state liquor stores. The project also includes implementation of data mart software to access MBS information. The project has two primary phases, "Requirements Definition Study" and "Solution Implementation".

The WSLCB plans to select the implementation vendor through a Request for Proposal (RFP) process. They will seek a package with a strong match to their requirements and adapt their business practices to avoid modification to maintain a "vanilla" system. The implementation vendor will provide project management support for the project. The WSLCB staff will work closely with the vendor to ensure knowledge transfer occurs during the project.

Budget: The budget for this project is $4,802,720.

Background: Today, the WSLCB is operating a $447 million per year operation on fifteen-year-old Point of Sale software. The system was written in-house using a language that has not been supported by the vendor (Microsoft) for over 10 years. Besides being extremely out of date, the system is very unreliable and fragile, having failed twice in the past year. This has disrupted service in the retail stores, impacted customers, and required agency resource reallocations until the problems were fixed. Also, due to the age of the system, it is extremely difficult to locate qualified technicians to maintain and fix the system.

Status: Pat Kohler is the new Administrative Director at the Liquor Control Board and the new MBS executive sponsor. The LCB's new Information Technology Services Director, Linda Bremer, will start in February. The project is also proceeding with external quality assurance by February 2002. A project steering committee has been formed.

Jefferson Wells International (JWI) was selected to perform the Requirements Definition Study. They have completed the 'As Is' analysis and are working on the 'To Be' requirements. The business units will sign off on the requirements. JWI issued a Request for Information to solicit information on system functionality and capabilities information from vendors and system integrators that provide comprehensive retail services. Information gathered is being used in the 'To Be' analysis.

The Requirements Definition Study is divided into three phases:
Phase I - Requirements Study ('As Is' and 'To Be').
- 'As Is' Planned Completion Date: January 15, 2002.
- 'To Be' Planned Completion Date   February 6, 2002

Phase II - Release Request for Proposal:
- Estimated Completion Date: March 6, 2002.

Phase III – Select Vendor/Solution.
- Estimated Completion Date: May 10, 2002.

The requirement statement is being developed and will be a major part of the criteria for identifying the successful vendor for the MBS. Under the agency's direction JWI will develop the evaluation-scoring matrix and manage the selection process. JWI will not be a candidate for the solution implementation contract. The project steering committee will review the RFP vendor responses.

Recommendation: DIS recommends that when the new Technology Services Director is on board at the LCB a project management plan be developed and integrated with the selected implementation vendor of the MBS.